

City of Glendale Council Workshop & Executive Session Agenda

February 19, 2013 – 1:30 p.m.

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these “study” sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions.

Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of the six electoral districts and are elected by the voters of their respective districts (see map on back).

Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, www.glendaleaz.com.

Executive Session Schedule

Council may convene in “Executive Session” to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive Session will be held in Room B3 of the Council Chambers. As provided by state statute, this session is closed to the public.

Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, please call the City Manager's Office at (623) 930-2870.

If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. – 5:00 p.m.

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

Citizen Participation

The City Council does not take official action during workshop sessions. These meetings provide Council with an opportunity to hear a presentation by staff on topics that may come before Council at a voting meeting. There is no Citizen Comments portion on the workshop agenda.



**** For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930-2870 at least one business day prior to this meeting. TDD (623) 930-2197.**

**** Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.**

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira



MAYOR JERRY P. WEIERS

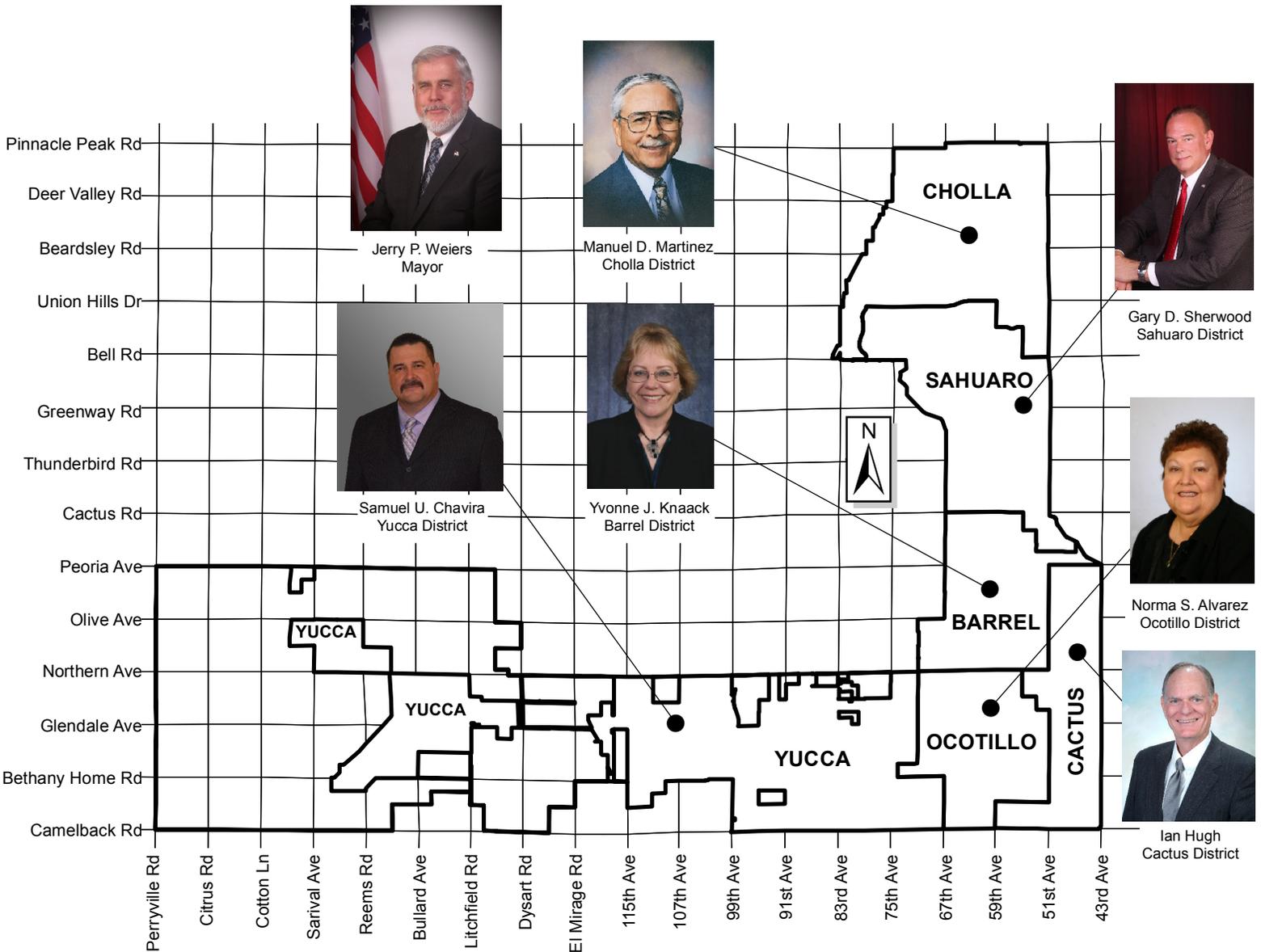
Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Horatio Skeete – Acting City Manager
Craig Tindall – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers
5850 West Glendale Avenue
February 19, 2013
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

WORKSHOP SESSION

1. GLENDALE COMMUNITY HOUSING
PRESENTED BY: Elaine Adamczyk, Housing Services Administrator
2. COUNCIL ITEM OF SPECIAL INTEREST: INTERNAL AUDITOR INDEPENDENCE
PRESENTED BY: Candace MacLeod, City Auditor
3. COUNCIL ITEM OF SPECIAL INTEREST: COMMUNITY OUTREACH
PRESENTED BY: Debora Black, Interim Police Chief
4. CITY MANAGER SELECTION
PRESENTED BY: Jim Brown, Interim Executive Director, Human Resources and Risk Management and Bob Murray, Bob Murray & Associates

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

EXECUTIVE SESSION

1. LEGAL MATTERS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))
- B. The City Council will meet with Jose De Jesus Rivera, of Haralson, Miller, Pitt, Feldman & McAnally, P.L.C. for legal advice, discussion and consultation regarding an external audit. (A.R.S. § 38-431.03(A)(3))

2. LEGAL MATTERS - PROPERTY & CONTRACTS

- A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

3. PERSONNEL MATTERS

- A. Various terms have expired on boards, commissions and other bodies. The City Council will be discussing appointments involving the following boards, commissions and other bodies. (A.R.S. § 38-431.03(A)(1))

- 1. Arts Commission
- 2. Audit Committee
- 3. Aviation Advisory Commission
- 4. Board of Adjustment
- 5. Citizens Bicycle Advisory Committee
- 6. Citizens Transportation Oversight Commission
- 7. Commission on Neighborhoods
- 8. Commission on Persons with Disabilities
- 9. Community Development Advisory Committee
- 10. Glendale Municipal Property Corporation
- 11. Historic Preservation Commission
- 12. Industrial Development Authority
- 13. Judicial Selection Advisory Board
- 14. Library Advisory Board
- 15. Parks and Recreation Advisory Commission
- 16. Personnel Board
- 17. Planning Commission

18. Public Safety Personnel Retirement Board/Fire
19. Public Safety Personnel Retirement Board/Police
20. Risk Management/Workers Compensation Trust Fund Board
21. Western Loop101 Public Facilities Corporation

- B. The Chair of the Judicial Selection Advisory Board will be present to discuss the reappointment of Presiding City Judge Elizabeth Finn. (A.R.S. § 38-431.03(A)(1))
- C. The City Council will discuss with the Chair of the Judicial Selection Advisory Board the Board's four finalist candidates, including each candidate's qualifications, and provide instructions regarding the next steps for the appointment of City Judge. (A.R.S. § 38-431.03(A)(1))

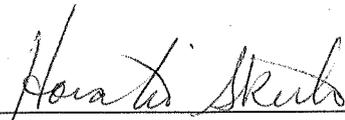
Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Horatio Skeete
Acting City Manager



CITY COUNCIL REPORT

Meeting Date: **2/19/2013**
Meeting Type: **Workshop**
Title: **GLENDALE COMMUNITY HOUSING**
Staff Contact: **Elaine Adamczyk, Housing Services Administrator**

Purpose and Policy Guidance

This is a request to provide City Council with information about the Glendale Community Housing Division and its required Annual Agency Plan submittal to the U. S. Department of Housing and Urban Development (HUD). HUD requires all housing authorities to have an Agency Plan and to update it annually. Staff is currently finalizing the Agency Plan for fiscal year(FY) 2013/14 and will present it at the Community Development Advisory Committee's (CDAC) February meeting. At that meeting, CDAC will review policy updates, hold a public hearing and recommend approval to the City Council.

Ms. Elaine Adamczyk, the program's Administrator, will provide an overview of Conventional Public Housing, which includes the Public Housing Capital Fund Program; Section 8 Housing Choice Voucher Program; and the Annual Agency Plan.

Background Summary

The Glendale Community Housing Division's mission is to "Provide safe, sanitary and affordable housing for the city's most vulnerable low and very-low income Glendale residents who would otherwise live in substandard housing in the private market or would be homeless."

This is achieved by the administration of the federally-funded Conventional Public Housing and Section 8 Housing Choice Voucher rental assistance programs. Through these programs more than 1,600 Glendale families are provided affordable housing.

The Agency Plan gives basic information about the Glendale Section 8 Housing Choice Voucher and Conventional Public Housing Programs, the Public Housing Capital Improvement Fund Five-Year Action Plan, program policy documents including the Public Housing Admissions and Continued Occupancy Policy (ACOP), the Section 8 Administrative Plan; and the Violence Against Women Act Addendum to the Fiscal Year 2013 Agency Plan.

The majority of these documents are dictated by federal laws and regulations. To the extent that local discretion is allowed, it is reflected in the Agency Plan or its related documents.

The Annual Agency Plan is due to HUD by April 17th of each year.



CITY COUNCIL REPORT

Previous Related Council Action

During FY2012/13, Council previously approved the current Community Housing Division Agency Plan.

Community Benefit/Public Involvement

The Agency Plan requires a 45-day public comment period, which is open from January 8, 2013 to February 21, 2013.

A public hearing will be held on February 21, 2013 at the monthly CDAC meeting. At this time, CDAC will be asked to recommend approval to Council. The Agency Plan will be a voting meeting agenda item in March 2013.

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Elaine Adamczyk, Housing Services Administrator**
Item Title: **GLENDALE COMMUNITY HOUSING**
Requested Council Meeting Date: **2/19/2013**
Meeting Type: **Workshop**

PURPOSE

This is a request to provide City Council with information about the Glendale Community Housing Division. The U. S. Department of Housing and Urban Development (HUD) requires all housing authorities to have an Agency Plan and to update it annually. Staff is currently finalizing the Agency Plan for fiscal year(FY) 2013/14 and will present the plan at the Community Development Advisory Committee's (CDAC) February meeting. At that meeting, CDAC will review policy updates, hold a public hearing and recommend approval to the City Council.

Ms. Elaine Adamczyk, the program's Administrator, will provide an overview of Conventional Public Housing, which includes the Public Housing Capital Fund Program; Section 8 Housing Choice Voucher Program; and the Annual Agency Plan.

BACKGROUND

The Glendale Community Housing Division's mission is to "Provide safe, sanitary and affordable housing for low and very-low income Glendale residents who would otherwise live in substandard housing in the private market or would be homeless." This is achieved through two rental assistance programs, funded through HUD; Conventional Public Housing and the Section 8 Housing Choice Voucher Program.

Conventional Public Housing – The city owns three conventional public housing rental communities; Lamar Homes, located at 61st Avenue and Lamar Road.; Glendale Homes, located between 52nd Avenue and at 52nd Drive, also between Ocotillo Road on the north and McLellan Boulevard to the south; and Cholla Vista Apartments located at 5320 West Maryland Avenue. Glendale Community Housing is landlord/manager/operator for these three properties, ensuring the grounds and units meet HUD inspection standards and city codes. In total, Glendale Community Housing is responsible for preventative maintenance, vacancy turnover and emergency repairs for 155 city-owned public housing apartments.

In addition to property management, Community Housing staff must perform annual unit inspections and annual reexaminations of family/household income to verify ongoing program eligibility. Community Housing monitors tenant compliance with program rules, regulations and



STAFF REPORT

the leases, and performs unit move-in/move-out processing, unit transfers, rent collection activities, and eviction proceedings.

Program Demographics:

- 364 persons assisted
- 177 are children under age 18 (average age is eight years old)
- 74% of residents are elderly, disabled, or working

Glendale Community Housing utilizes federal funds for capital projects within the city's Conventional Public Housing rental communities. A combination of grant funding has allowed the repair/replacement of aging kitchens, bathrooms, floors, roofs, air conditioning/heating units, and new exterior paint. Staff recently requested funding through the current Community Development Block Grant (CDBG) funding process for xeriscaping to reduce water usage and future maintenance costs.

Glendale Section 8 Housing Choice Voucher Program – Section 8 housing assistance is paid directly to Glendale landlords on behalf of eligible, very low-income families and individuals. Section 8 is “family choice” which indicates program participants are issued a voucher, allowing them to find their own rental housing in the private rental market. The rental unit must be approved by Community Housing before they can move in and have subsidy payments made on their behalf. This program subsidizes renters with the same housing choices as “market” renters in a three-way partnership between the housing authority, tenant and landlord.

Program Statistics:

- 1,054 Glendale Section 8 Housing Choice Vouchers
- 400-500 additional “portability” vouchers
- Average of 700 landlords participate
- Three-way partnership – housing authority, tenant and landlord

Program Demographics:

- 3,736 persons assisted
- 1,719 are children under age 18 (average age is nine years old)
- 79% of program participants are elderly, disabled or working

The Section 8 Program also has the ongoing responsibility of annual inspections, annual family reexaminations of household income to verify ongoing program eligibility. In addition, Community Housing monitors tenant compliance with program rules, regulations and family obligations, including new admission processing, unit transfers, portable incoming vouchers, portable outgoing vouchers, mid-year income adjustments, and assistance termination actions.



STAFF REPORT

Annual Agency Plan - HUD requires all housing authorities to have an Agency Plan and to update it annually. The Agency Plan gives basic information regarding both federally-funded rental assistance programs administered by the Community Housing Division, and is due to HUD by April 17th of each year.

Glendale Community Housing Division Administration – Glendale Community Housing is dedicated to the city’s mission, and ensuring compliance with local, state and federal requirements. Glendale Community Housing was the first housing authority in the state to enter into a Data Sharing Agreement with the Arizona Department of Economic Security. This agreement provides an additional layer of verification to ensure participant compliance with reporting household income and family composition, both factors in calculating the family’s level of assistance.

Both of Glendale’s rental assistance programs have been designated as HUD High Performers. The city’s Section 8 Housing Choice Voucher program has been designated as a HUD High Performer for the fiscal year ending June 30, 2012, with an overall score of 99%.

Conventional Public Housing has held this designation for 19 years consecutively. Conventional Public Housing is also rated through a HUD physical inspection of the properties’ interior and exterior, including grounds and the administrative office building. Glendale Conventional Public Housing’s last physical inspection, conducted in October 2011, resulted in an overall score of 99.6%.



CITY COUNCIL REPORT

Meeting Date: **2/19/2013**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: INTERNAL AUDITOR
INDEPENDENCE**
Staff Contact: **Candace MacLeod, City Auditor**

Purpose and Policy Guidance

The purpose of this City Council Report is to address City Council's requested information on internal auditor independence at the December 4, 2012 Council Workshop.

Background Summary

The reporting line for the internal audit activity is the ultimate source of its independence. According to the professional standards that govern the practice of internal auditing, internal audit:

- Must be organizationally independent
- Must have authority to look at any department, function or transaction at any time
- Must have access to all systems, files, records and electronic data

According to the Institute of Internal Auditors (IIA), appropriate reporting relationships are absolutely critical if internal audit is to achieve independence, objectivity and organizational status to fulfill its obligations to effectively assess internal controls, risk management and governance. As the independent eyes and ears of the governing body, it is important that the internal audit activity is structurally independent and free from management control and interference. Exclusively reporting to management might appear to work well when an organization has no issues. This reporting line becomes quickly untenable; however, when there are serious issues that need to be elevated to the governing body or audit committee. If an appropriately independent reporting structure is not in place, management may be able to unduly influence the audit plan, scope and whether issues are reported completely and timely. This presents a serious compromise of the intended effectiveness of the internal audit function.

The IIA states that the chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity. In any event, organizational independence of the audit function is achieved most effectively when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:



CITY COUNCIL REPORT

- Approving the internal audit charter
- Approving the risk based internal audit plan
- Receiving communications from the chief audit executive on internal audit activity relative to the annual audit plan and other matters
- Approving decisions regarding the appointment and removal of the chief audit executive
- Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations

In accordance with Generally Accepted Government Auditing Standards (GAGAS), internal auditors who work under the direction of management are considered independent for the purposes of reporting internally only if the head of the audit organization meets all of the following criteria:

- Is accountable to the head or deputy head of the government entity or to those charged with governance;
- Reports the audit results both to the head or deputy head of the government entity and to those charged with governance;
- Is located organizationally outside the staff or line-management function of the unit under audit;
- Has access to those charged with governance; and
- Is sufficiently removed from political pressures to conduct audits and report findings, opinions and conclusions objectively without fear of reprisal.

According to the Association of Local Governments Auditors (ALGA), an independent performance audit function that operates under applicable professional auditing standards plays a key role in effective governance and public accountability. Additionally, government auditing standards issued by the Comptroller General's Office of the United States provide a framework for conducting audits. These standards require that auditors are sufficiently removed from the executive branch to audit objectively and independently. Some of the hallmarks of an independent audit function include:

- Freedom from conflicts of interest and from interference in how audit functions conduct and report their work
- Formalized procedures to identify, resolve, or report impairments to independence
- Documented duties and powers within ordinance, resolution, or code

Threats to internal auditor independence include undue influence, management participation and structural threats. Ways to safeguard these threats include council appointment, voter election or administrative appointment when the auditor reports to city management and council.



CITY COUNCIL REPORT

ALGA's Model Legislation Guidelines for Local Government Auditors includes:

- Establishment of an internal audit function by charter
- Establishment of a finance and audit committee to review the annual internal audit plan and internal audit reports

The internal audit charter is a formal document that defines the purpose, authority and responsibility of the audit function. The internal audit charter also establishes the position of the internal audit function within the organization's structure; authorizes access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The Government Finance Officers Association (GFOA) recommends that the internal audit activity be established formally, by charter, enabling resolution, or other appropriate legal means. The GFOA recommends that all reports of internal auditors, as well as the annual audit plan, be made available to the governing board or finance and audit committee.

Previous Related Council Action

At the December 4, 2012 Workshop, Council requested that there be a discussion on the autonomy of the City Auditor and on Professional Standards.

Analysis

Local governments establish, staff and maintain independent audit functions to enhance accountability, earn and increase citizen confidence and respect for government, increase public transparency of governmental operations and provide an independent perspective that is highly beneficial to ensuring compliance with laws, regulations, policies and procedures.

The professional standards that govern the practice of internal auditing recommend that the internal audit function:

- Be established formally by charter
- Be organizationally independent and free from management control and interference
- Have access to those charged with governance
- Report audit results both to the head of the government entity and to those charged with governance



CITY COUNCIL REPORT

Budget and Financial Impacts

There is no fiscal impact to the city.

Attachments

Other

Other

Other



**Practice Advisory 1000-1:
Internal Audit Charter**

Primary Related Standard

1000 – Purpose, Authority, and Responsibility

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the *Standards*. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

Interpretation:

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization, including the nature of the chief audit executive's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.

1. Providing a formal, written internal audit charter is critical in managing the internal audit activity. The internal audit charter provides a recognized statement for review and acceptance by management and for approval, as documented in the minutes, by the board. It also facilitates a periodic assessment of the adequacy of the internal audit activity's purpose, authority, and responsibility, which establishes the role of the internal audit activity. If a question should arise, the internal audit charter provides a formal, written agreement with management and the board about the organization's internal audit activity.
2. The chief audit executive (CAE) is responsible for periodically assessing whether the internal audit activity's purpose, authority, and responsibility, as defined in the internal audit charter, continue to be adequate to enable the activity to accomplish its objectives. The CAE is also responsible for communicating the result of this assessment to senior management and the board.

Issued: January 2009

Practice Advisory 1110-1: Organizational Independence

Primary Related Standard

1110 – Organizational Independence

The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity.

Interpretation:

Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:

- *Approving the internal audit charter;*
- *Approving the risk-based internal audit plan;*
- *Approving the internal audit budget and resource plan;*
- *Receiving communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters;*
- *Approving decisions regarding the appointment and removal of the chief audit executive;*
- *Approving the remuneration of the chief audit executive; and*
- *Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations.*

-
1. Support from senior management and the board assists the internal audit activity in gaining the cooperation of engagement clients and performing their work free from interference.
 2. The chief audit executive (CAE), reporting functionally to the board and administratively to the organization's chief executive officer, facilitates organizational independence. At a minimum the CAE needs to report to an individual in the organization with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of engagement communications, and appropriate action on engagement recommendations.
 3. Functional reporting to the board typically involves the board:
 - Approving the internal audit activity's overall charter.
 - Approving the internal audit risk assessment and related audit plan.
 - Receiving communications from the CAE on the results of the internal audit activities or other matters that the CAE determines are necessary, including private meetings with the CAE without management present, as well as annual confirmation of the internal audit activity's organizational independence.
 - Approving all decisions regarding the performance evaluation, appointment, or removal of the CAE.
 - Approving the annual compensation and salary adjustment of the CAE.
 - Making appropriate inquiries of management and the CAE to determine whether there is audit scope or budgetary limitations that impede the ability of the internal audit activity to execute its responsibilities.



4. Administrative reporting is the reporting relationship within the organization's management structure that facilitates the day-to-day operations of the internal audit activity. Administrative reporting typically includes:

- Budgeting and management accounting.
- Human resource administration, including personnel evaluations and compensation.
- Internal communications and information flows.
- Administration of the internal audit activity's policies and procedures.

Issued: January 2009

Practice Advisory 1111-1 Board Interaction

Primary Related Standard

1111 – Direct Interaction with the Board

The chief audit executive must communicate and interact directly with the board.

1. Direct communication occurs when the chief audit executive (CAE) regularly attends and participates in board meetings that relate to the board's oversight responsibilities for auditing, financial reporting, organizational governance, and control. The CAE's attendance and participation at these meetings provide an opportunity to be apprised of strategic business and operational developments, and to raise high-level risk, systems, procedures, or control issues at an early stage. Meeting attendance also provides an opportunity to exchange information concerning the internal audit activity's plans and activities and to keep each other informed on any other matters of mutual interest.
2. Such communication and interaction also occurs when the CAE meets privately with the board, at least annually.

Issued: January 2009

- a.** statutory protections that prevent the audited entity from abolishing the audit organization;
- b.** statutory protections that require that if the head of the audit organization is removed from office, the head of the agency report this fact and the reasons for the removal to the legislative body;
- c.** statutory protections that prevent the audited entity from interfering with the initiation, scope, timing, and completion of any audit;
- d.** statutory protections that prevent the audited entity from interfering with audit reporting, including the findings and conclusions or the manner, means, or timing of the audit organization's reports;
- e.** statutory protections that require the audit organization to report to a legislative body or other independent governing body on a recurring basis;
- f.** statutory protections that give the audit organization sole authority over the selection, retention, advancement, and dismissal of its staff; and
- g.** statutory access to records and documents related to the agency, program, or function being audited and access to government officials or other individuals as needed to conduct the audit.²⁶

Organizational
Independence for
Internal Audit
Functions

3.16 Certain federal, state, or local government entities employ auditors to work for management of the audited entities. These auditors may be subject to administrative direction from persons involved in the entity management process. Such audit organizations are

²⁶Statutory authority to issue a subpoena to obtain the needed records is one way to meet the requirement for statutory access to records.

internal audit functions and are encouraged to use the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing* in conjunction with GAGAS. Under GAGAS, a government internal audit function can be presumed to be free from organizational impairments to independence for reporting internally if the head of the audit organization meets all of the following criteria:

- a.** is accountable to the head or deputy head of the government entity or to those charged with governance;
- b.** reports the audit results both to the head or deputy head of the government entity and to those charged with governance;
- c.** is located organizationally outside the staff or line-management function of the unit under audit;
- d.** has access to those charged with governance; and
- e.** is sufficiently removed from political pressures to conduct audits and report findings, opinions, and conclusions objectively without fear of political reprisal.

3.17 The internal audit organization should report regularly to those charged with governance.

3.18 When internal audit organizations that are free of organizational impairments perform audits of external parties such as auditing contractors or outside party agreements, and no personal or external impairments exist, they may be considered independent of the audited entities and free to report objectively to the heads or deputy heads of the government entities to which they are assigned, to those charged with governance, and to parties outside the organizations in accordance with applicable law, rule, regulation, or policy.



BEST PRACTICE

Establishment of an Internal Audit Function (1997 and 2006) (CAAFR)

Background. The term "internal auditor" is commonly used in a variety of ways in the public sector. For example, some individuals with the title "internal auditor" are actually elected officials who, for all practical purposes, function as independent auditors. Conversely, many individuals in the public sector perform one or more of the duties of an internal auditor, although they may use some other job title. For purposes of this recommended practice, an "internal auditor" will be considered to be any audit professional who works directly for management, at some level, and whose primary responsibility is helping management to fulfill its duties as effectively and efficiently as possible.

Internal auditors can be of great value to state and local governments in a variety of ways. In particular, they commonly assist management in monitoring the design and proper functioning of internal control policies and procedures. In this capacity, internal auditors themselves function as an additional level of control and so help to improve the government's overall control environment. Internal auditors also can play a valuable role conducting performance audits, as well as special investigations and studies.

Recommendation. The Government Finance Officers Association (GFOA) makes the following recommendations regarding the internal audit function:

- Every government should consider the feasibility of establishing a formal internal audit function because such a function can play an important role in helping management to maintain a comprehensive framework of internal controls. As a rule, a formal internal audit function is particularly valuable for those activities involving a high degree of risk (e.g., complex accounting systems, contracts with outside parties, a rapidly changing environment). If it is not feasible to establish a separate internal audit function, a government is encouraged to consider either 1) assigning internal audit responsibilities to its regular employees or 2) obtaining the services of an accounting firm (other than the independent auditor) for this purpose;
- The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means;
- It is recommended that internal auditors of state and local governments conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office's publication *Government Auditing Standards*, including those applicable to the independence of internal auditors;
- At a minimum, the head of the internal audit function should possess a college degree and appropriate relevant experience. It also is highly desirable that the head of the internal audit function hold some appropriate form of professional certification (e.g., certified internal auditor, certified public accountant, certified information systems auditor); and
- All reports of internal auditors, as well as the annual internal audit work plan, should be made available to the government's audit committee or its equivalent.

Approved by the GFOA's Executive Board, February 24, 2006.



CITY COUNCIL REPORT

Meeting Date: **2/19/2013**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: COMMUNITY OUTREACH**
Staff Contact: **Debora Black, Interim Police Chief**

Purpose and Policy Guidance

This report contains information on the recent media story aired on Univision, as well as an explanation of the Police Department's policy on racial profiling, a summary of SB1070 training, racial profiling complaint history and the process of how a citizen can make a complaint.

Background Summary

On October 30, 2012, the national Univision Network filmed a traffic stop made by a 30-year police officer, whose primary responsibilities involve neighborhood traffic enforcement. On November 12, 2012, Univision aired selected video portions of the traffic stop. The publicized video did not show the traffic violation that led to the lawful stop, but rather showed the violator driving normally and then being stopped by our officer. This gave viewers the sense that the violator was stopped because of his national origin or race, which, according to the officer, was absolutely not the case. The video aired without Univision contacting the Glendale Police Department, or requesting an on-air comment.

The Police Department's Public Information Officers (PIOs) have made several requests to view the unedited footage of the video so that an accurate and fair depiction of the traffic stop is available to accompany an official department statement. To date, these requests have been denied by the national Univision Network, and no statement has been provided. In order to provide balance to the story, a column was submitted to Prensa Hispana, describing the actions of our officer reported to us, and strongly stating the department's position of intolerance regarding biased based enforcement on the part of any police officer.

The Glendale Police Department stands behind the actions of the officer based upon his account of the violation and stop. The Police Department is disappointed with this video production that appears to try to "create news" by being misleading, inflammatory, and portray the Glendale Police Department in a negative light by suggesting the department engages in racial profiling.

Analysis



CITY COUNCIL REPORT

For decades the Police Department has provided strong direction to employees through policy and training prohibiting biased based policing. Per Police Department Policy, employees receive annual training on the harmful effects of bias based profiling and discrimination. In 2010 and 2012, the Police Department provided extensive, mandatory training on SB 1070, which has been incorporated into written policy. In no uncertain terms, the policy states and the training instructs that race, color or national origin cannot be considered in carrying out duties imposed by SB1070 as set forth in A.R.S. § 11-1051. Officers have been instructed that if they are to err in the enforcement of this statute they must err on the side of individual rights without regard to immigration status. As reflected by written policy, Glendale Police Officers will not stop, detain or contact an individual based on race, color or national origin unless it is part of a general description of a suspect about whom a reasonable suspicion of criminal activity exists. Furthermore, department policy states that immigration enforcement will not be the sole purpose for an officer to stop, detain or contact an individual.

Failure to follow department policy can result in disciplinary action up to and including termination. The department's policy and training are designed to complement each other to insure that all members of the Glendale Police Department enforce the laws in a just and fair manner without regard to ethnic background. Since 2007, the Police Department received a total of 11 Bias Based Policing Complaints. These complaints were thoroughly investigated by our Professional Standards Bureau. None of the investigations into these complaints sustained allegations of bias against the officers involved.

The Glendale Police Department has been accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) since 2000, and has been reaccredited in 2003, 2006, 2009, and 2012. As part of the accreditation process, the Police Department is required to meet specific standards that apply to Bias Based Profiling. The CALEA Assessors review the standard and ensure it is being fulfilled in all of the required aspects. The Police Department actually exceeds the requirements of the CALEA standard regarding "training agency enforcement personnel in biased based profiling issues including legal aspects."

The Police Department provides three convenient ways for members of the community to make a complaint about employee conduct: in person, by telephone, or electronically. Electronic complaint forms are available in Spanish on our website. A request can be made to any department employee to speak to a supervisor regarding allegations of employee misconduct. Citizens may also utilize the City of Glendale Police Department web page to access the Professional Standards Unit (PSU) page. On the PSU page, citizens may submit a complaint via e-mail, by completing an on-line submission form, or they may print out and complete the complaint form and mail, fax, or hand-deliver it to the Police Department.



CITY COUNCIL REPORT

The Police Department is confident that policy, training, and the citizen complaint and internal investigation process provide assurance to members of the community that racial profiling and biased based policing is not tolerated in the City of Glendale. Communication and outreach is an important component to establishing and maintaining the trust of all members of the community. This unfortunate incident has highlighted the importance of strengthening this relationship. Strengthening relationships with the community with members at all levels of the Police Department is the department's goal.



CITY COUNCIL REPORT

Meeting Date: **2/19/2013**
Meeting Type: **Evening**
Title: **CITY MANAGER RECRUITMENT**
Staff Contact: **Jim Brown, Interim Executive Director, Human Resources and Risk Management**

Purpose and Recommended Action

This report contains information to introduce the City Council to Bob Murray of Murray and Associates and to begin the first step of the process for the City Manager Recruitment. The recommended action is for the Council to give direction to Bob Murray of Murray and Associates for the City Manager recruitment.

Background Summary

At the February 5, 2013 Council Workshop, the Council was presented with three executive search firms recommended by Human Resources to conduct the City Manager recruitment. After reviewing the three proposals, Council gave direction to move forward with Murray and Associates.

Analysis

The first step in this process includes developing the ideal candidate profile. Murray and Associates will work with Council to understand the City of Glendale's needs and the current issues, challenges and opportunities that face the City of Glendale. Murray and Associates will also want to know the Mayor and City Council's expectations regarding the knowledge, skills and abilities sought in the ideal candidate and will work with the City to identify expectations regarding education and experience. Additionally, they will want to discuss expectations regarding compensation and other items necessary to complete the successful appointment of the ideal candidate. The candidate profile will be developed collaboratively at this stage and it will drive subsequent recruitment efforts.

Bob Murray will discuss in detail the overall process including what is needed to begin first step, which is the profile development. Mr. Murray will be requesting time to discuss the candidate profile both individually and collectively with the Mayor and Council to come to consensus on the ideal candidate profile and move into the next phase of the process.



CITY COUNCIL REPORT

Fiscal Impact

The consulting fee and expenses for utilizing Murray and Associates to conduct the City Manager recruitment on behalf of the City of Glendale will not exceed \$27,500.



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Jim Brown, Interim Executive Director, Human Resources and Management**
Item Title: **CITY MANAGER RECRUITMENT**
Requested Council Meeting Date: **2/19/2013**
Meeting Type: **Workshop**

PURPOSE

This report contains information to introduce the City Council to Bob Murray of Murray and Associates and to begin the first step of the process for the City Manager Recruitment

BACKGROUND

At the February 5, 2013 Council Workshop, the Council was presented with three executive search firms recommended by Human Resources to conduct the City Manager recruitment. After reviewing the three proposals, Council gave direction to move forward with Murray and Associates.

ANALYSIS

The first step in this process includes developing the ideal candidate profile. Murray and Associates will work with Council to understand the City of Glendale's needs and the current issues, challenges and opportunities that face the City of Glendale. Murray and Associates will also want to know the Mayor and City Council's expectations regarding the knowledge, skills and abilities sought in the ideal candidate and will work with the City to identify expectations regarding education and experience. Additionally, they will want to discuss expectations regarding compensation and other items necessary to complete the successful appointment of the ideal candidate. The candidate profile will be developed collaboratively at this stage and it will drive subsequent recruitment efforts.

Bob Murray will discuss in detail the overall process including what is needed to begin first step, which is the profile development. Mr. Murray will be requesting time to discuss the candidate profile both individually and collectively with the Mayor and Council to come to consensus on the ideal candidate profile and move into the next phase of the process.



STAFF REPORT

FISCAL IMPACTS

The consulting fee and expenses for utilizing Murray and Associates to conduct the City Manager recruitment on behalf of the City of Glendale will not exceed \$27,500.